MEMORANDUM

September 29, 2015

To: Republican Members of the House Committee on Oversight and Government Reform

From: Chairman Jason Chaffetz

Re: Committee Findings: Planned Parenthood Investigation

In light of disturbing videos that emerged in July, 2015 detailing fetal tissue procurement among Planned Parenthood facilities and affiliates, the House Oversight and Government Reform Committee launched an investigation into Planned Parenthood’s taxpayer funding.

Planned Parenthood is self-sustaining

*Planned Parenthood reported $1.3B in revenue in 2014; 41% of which came from government funding.*

- In their most recent annual report Planned Parenthood reported revenue of $1.3 billion.¹
- $528 million of this revenue is from “government health services, grants, and reimbursements.”² This means government funding makes up 41 percent of Planned Parenthood’s revenues.³
- During the 2013-2014 reporting year, Planned Parenthood reported $127 million in net income and reported holding $1.4 billion in assets.⁴
- The Planned Parenthood Federation of America has an endowment of more than $100 million.⁵
- Some affiliates indicated endowments ranging from $15 million to $73 million on tax filings.⁶

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² Id. at 20-21.
³ Id. Out of Planned Parenthood’s total reported revenue for 2014 of $1,303.4 million.
⁴ Id. at 22.
⁵ 2013 Tax Return of Planned Parenthood Federation of America, OGR 555.
• Planned Parenthood is primarily supported by Medicaid funding. The Congressional Budget Office most recently stated that of $450 million in federal funds, $390 million was from Medicaid.

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• $60 million of federal funding comes from Title X. Title X is the “National Family Planning Program” which provides family planning services for “low-income or uninsured individuals.”

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• Title X funds comprise only 4.6 percent of Planned Parenthood’s total revenue

Obamacare makes federal funding for Planned Parenthood duplicative

• HHS identifies Title X as a service for “low-income or uninsured individuals.”

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• Under Obamacare, individuals should be getting their health care via Medicaid or a Qualified Health Plan.

Salaries at Planned Parenthood are lucrative

• From 2009 to 2013, Planned Parenthood and its related organizations paid President Cecile Richards more than $2.47 million, which includes $590,928 for 2013.

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• Planned Parenthood reports that over 40 of its executives earned salaries of $200,000 or more over the years 2009 to 2013. They include:
  o $459,827 → employee at affiliate for Minnesota, North Dakota, and South Dakota.

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6 2012 Tax Return of Planned Parenthood of the Great Northwest, OGR 9443 (endowment of $25.1 million); 2010 Tax Return of Planned Parenthood New York City, OGR 2346 (endowment of $73.86); 2011 Tax Return of Planned Parenthood New York City, OGR 5624 ($69.3); 2011 Tax Return of Planned Parenthood of the Great Northwest, OGR 6309 (endowment of $24.2 million); 2012 Tax Return of Planned Parenthood Gulf Coast, OGR 007590 (endowment of $15.9 million); 2010 Tax Return for Planned Parenthood of New York City, OGR 2346 (endowment of $73.86 million).


8 Id.


11 2013 Tax Return of Planned Parenthood Federation of America, Inc. OGR 540.
• Planned Parenthood spent $5,109,997 on travel in 2013. That is nearly $14,000 a day on travel. This does not include affiliate travel expenditures.

• Affiliates also reported substantial travel expenses. One affiliate spent more than $784,000 in a year. Several affiliates were spending more $400,000 annually.

• Tax returns show Planned Parenthood books first class or charter travel.

• In 2011, Planned Parenthood spent $34.8 million to purchase corporate office space two blocks from Madison Square Garden.

12 PPFA’s Response to Request 5 on behalf of Planned Parenthood Affiliates, OGR 22792 (Calculated by adding “Salary – Reportable compensation from the organization” and “Estimated amount of other compensation from the organization and related organizations”).
13 Id.
14 Id.
15 Id.
16 Id.
18 PPFA’s Response to Request 5 on behalf of Planned Parenthood Affiliates, OGR 22794 (Calculated by adding “Salary – Reportable compensation from the organization” and “Estimated amount of other compensation from the organization and related organizations”).
19 2013 Tax Return of Planned Parenthood Federation of America, OGR 543.
• According to their tax returns, Planned Parenthood spent **$622,706 on blowout parties** in 2012 and 2013, including $125,655 on entertainment, alone.\(^{24}\) Planned Parenthood’s annual gala dinner features Hollywood celebrities and musicians.\(^{25}\)

• Affiliates routinely host lavish parties. The funding used for one affiliate’s “Gathering of Goddesses and Gods”\(^{26}\) event or another’s “Chocolate Champagne” and “Murder Mystery” fundraisers\(^{27}\) could have been used on health services.

• In 2015, Brookfield Property Partners paid Planned Parenthood **$69.6 million** for a 72,000 sq-ft condo.\(^{28}\)

### Taxpayer dollars subsidize political affiliates

- **Over the past five years, Planned Parenthood has given the Planned Parenthood Action Fund $21,567,629 in grants.**\(^{29}\) **It has also given other 501(c)(4)s a total of $1,099,932.**\(^{30}\)

- In the five years of tax returns provided to the Committee, Planned Parenthood Federation of America transferred funding from its 501(c)(3) organization, which is restricted in the amount of lobbying it may conduct, to its 501(c)(4) organization, which may conduct lobbying as its primary activity.\(^{31}\)

- This practice appears to be widespread. Planned Parenthood transferred millions to its lobbying arm each year,\(^{32}\) and affiliates likewise transferred hundreds of thousands of dollars to related 501(c)(4)s and PACs.\(^{33}\)

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\(^{24}\) 2013: $332,663 in expenses including $66,800 on entertainment; 2012: $290,043 in expenses including $58,855 on entertainment. Planned Parenthood Tax Returns, OGR 494, 572.


\(^{26}\) 2011 Tax Return of Planned Parenthood of Indiana, OGR 5345.

\(^{27}\) 2010 Tax Return of Planned Parenthood of Southeast Ohio, OGR 2676.


\(^{30}\) Id. at $140,020 in 2013, OGR 577, 585; $334,819 in 2012, OGR 504, 509; $621,530 in 2011, OGR 419, 424, 427, 429; $8,300 in 2010 OGR 353; $12,082 in 2009, OGR 281.

\(^{31}\) 2009-2013 Tax Returns of Planned Parenthood Federation of America.

\(^{32}\) See, e.g., gift of $4.5 million to Planned Parenthood Action Fund in 2013. 2013 Tax Return of Planned Parenthood Federation of America, OGR 603.

• The tax returns also indicate that affiliates may be utilizing this funding to conduct lobbying efforts well outside the realm of health care. For example, one affiliate gave thousands to its 501(c)(4) for a redistricting campaign.34

• The tax returns also indicate that both Planned Parenthood and its affiliates share employees, facilities, equipment, mailing lists, and other assets with 501(c)(4) organizations.35

Planned Parenthood sends millions overseas with no accountability

• Over past 5 years, Planned Parenthood sent more than $32.1 million outside the U.S.36

• In 2013, $9,523,878 of this was sent outside to Central America/Caribbean, South America, Sub-Saharan Africa, and elsewhere in North America.37

• Listed as “program services, reproductive health” “grants” and “investment,” most reported transactions do not contain a description of the purpose of the grant or type of service to be rendered.38

Planned Parenthood’s “Three Percent” claim is false

Planned Parenthood claims that only “three percent of all health services are abortion services.”39

• One affiliate reported receiving $3,718,474 from family planning services versus $1,424,275 from abortion services– 28 percent of their entire service revenue.40

• According to Cecile Richards’ testimony before the Committee, Planned Parenthood serves 2.7 million individuals per year. In 2014 their annual report states Planned Parenthood performed 327,653 abortions. This would be at least 12 percent.41

34 $16,000 to “Alaskan for Fair Redistricting.” 2010 Tax Return of the Planned Parenthood of the Great Northwest, OGR 2986.
35 See., e.g., Planned Parenthood, a 501(c)(3), exchanged millions with Planned Parenthood Action Fund, a 501(c)(4), in shared employees, shared facilities, performance of services, 2013 Tax Return of Planned Parenthood Federation of America at OGR 600 – 604. See also $74,010 in grants, $2 million in loans or guarantees, $112,800 shared facilities/equipment, $1.8 million in shared employees, and $194,361 in reimbursements for expenses. 2010 Tax Return of Planned Parenthood of Austin Surgical and Sexual Health Services, Inc. OGR 1443.
37 Id. at OGR 559-570.
38 Id.
39 Annual Report, at 17.
41 Annual Report, at 18. Planned Parenthood accounts for each pregnancy test, birth control kit, pap test, abortion, etc. as individual “services” even if they are received in the same appointment.
Planned Parenthood performs just under half of the abortions in America, and reports performing more than 1.65 million abortions over the last five years.

Planned Parenthood is not a primary provider of mammograms

- The Food and Drug Administration lists more than 8,000 certified mammography facilities in the United States.
- Committee staff were only able to find two of the 667 health centers operated by Planned Parenthood affiliates on FDA’s list of certified mammography centers.
- In 2012 Planned Parenthood issued a statement that they do not provide mammograms and focus on their ability to make referrals.

Planned Parenthood’s cancer screening services declined by nearly 50 percent from 2009-2013

- From 2009 to 2013 the number of cancer screenings at Planned Parenthood has declined in every single category of screening service they provide.

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43 Number of performed abortions reported in Planned Parenthood Annual Reports 2009-2013.
The total number of cancer screening services decreased by nearly 50 percent—from 1,830,811 in 2009 to 935,573 in 2013.

The number of breast cancer screenings dropped dramatically—Planned Parenthood provided 830,312 exams in 2009. In 2013 the number was just 487,029. That same year, they performed 327,653 abortions.

Numerous Alternatives to Planned Parenthood Exist

There are more than 13,000 publicly-supported alternatives for health care in the U.S. That means there are approximately 20 federally-funded comprehensive care clinics for every one Planned Parenthood clinic, not including the thousands of additional private health care providers that accept Medicaid.

More than 1,200 federally qualified health centers (FQHCs) operate more than 9,000 sites in the U.S. These FQHCs saw almost 22 million patients in 2013—over eight times the number of patients served by Planned Parenthood in the same year.

Almost 2,000 pregnancy health centers across the country—more than 80 percent of which receive no public funding—provide a range of medical care, including prenatal care, STD testing, ultrasounds, abstinence education and abortion-recovery services.

A Kaiser survey found that of Medicaid-enrolled women aged 15-44 receiving gynecological exams, 57 percent received the exams from a private physician’s office or HMO, 13 percent from a community health center or public clinic, 5 percent from a family planning or Planned Parenthood clinic, and 5 percent from a school-based, urgent care, or walk-in facility.

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49 Annual Report. Planned Parenthood reports 700 health centers across the U.S.
51 Id. (21,726,965 total patients).
52 2013-2014 Annual Report at 3 (2.7 million patients).